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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 11

UNITED STATES GYPSUM COMPANY,

Appellant,

—against—

NATIONAL GYPSUM COMPANY ET AL.,

Appellees.

MOTION FOR RECALL AND MODIFICATION OF JUDGMENT

BRUCE BROMLEY,
CRANSTON SPRAY,
ROBERT C. KEUCH,

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

UNITED STATES GYPSUM COMPANY, *Appellant,* —*against*— NATIONAL GYPSUM COMPANY *et al.*, *Appellees.*	No. 11

MOTION FOR RECALL AND MODIFICATION OF JUDGMENT

Appellant United States Gypsum Company (USG) respectfully moves this Court to modify its judgment in this case, entered February 25, 1957 (App.* 1-a—2-a), to permit suspension of trial and disposition by a statutory three-judge court of the United States District Court for the District of Columbia of such issues as were remanded to that court for decision.

STATEMENT

A. On February 25, 1957, this Court reversed a judgment that had been entered December 9, 1954, in this action by a statutory three-judge court of the United States District Court for the District of Columbia (statutory court).** That judgment had barred USG, upon a record

*Appendix to this motion, attached.

**On February 25, 1957, the statutory court was composed of Judges Kimbrough Stone, William P. Cole, Jr. and Eugene Worley.

closed by the statutory court in 1941 in a government antitrust suit, from maintaining suit in an Iowa district court to recover compensation for use of its patents by certain appellees in the years 1948 to 1951.

In its judgment remanding the case (App. 1-a--2-a), this Court ordered the statutory court to proceed in a manner

> ". . . not inconsistent with the opinion of this Court."

That opinion had concluded that

> ". . . the case should be remanded to the District Court for the taking of evidence upon the issues of misuse and purge as they may relate to the period since February 1, 1948", (352 U. S. at 476)

and that it was appropriate that those

> ". . . issues should be tried and disposed of by the antitrust court rather than the Iowa court, . . .". (352 U. S. at 476)

This Court deemed remand to the statutory court appropriate because

> (1) ". . . patent misuse was the essence of the old [government] antitrust litigation, and its continuance or renewal were thus issues peculiarly within the province of the antitrust court, . . . (352 U. S. at 464)

and

> (2) ". . . because of the antitrust court's familiarity with what has occurred in these protracted litigations." (352 U. S. at 476)*

*This Court also observed that it had been appropriate in 1954 for the statutory court to exercise its reserved jurisdiction, because USG then had four compensation suits pending in three different district courts. That consideration is not relevant to disposition of this motion, however, because only two USG compensation suits remain (352 U. S. 459, fn. 2), and each is pending in the United States District Court for the Northern District of Iowa (Iowa district court).

A petition for rehearing, filed by certain of the appellees, was denied April 8, 1957.*

B. On May 1, 1957, counsel asked the senior judge of the statutory court to reconvene that court in order that it might consider pre-trial procedural matters. By June 3, 1957, however, the designations of Judge Stone and Judge Cole had been revoked by the Chief Judge of the United States Court of Appeals for the District of Columbia, at the request of those judges, for reasons of health. Judge Cole has since died. The statutory court is not yet convened. Indeed, it has not yet been reconstituted, successors to Judge Stone and Judge Cole not having been designated.

Following the departure of Judge Stone and Judge Cole from the statutory court, correspondence between counsel for the parties and the sole remaining member of the court, Judge Worley, established that pre-trial and trial of the remanded issues would require at least two months of court time.

C. On October 16, 1957, the Clerk of this Court sent counsel for all parties herein a copy of a letter, dated July 12, 1957, from Judge Worley to the Chief Justice.** Counsel were told that the Court wished them to "submit their views and comments" upon a suggestion of Judge Worley that the judgment of this Court, entered February 25, 1957, be modified to permit trial of the remanded issues of patent misuse and purge by the Iowa district court rather than by the statutory court, as required in that judgment.

D. USG fully concurs in the suggestion of Judge Worley. It believes, moreover, that the suggested modification should be tendered also by a party, in the form of a

*That petition was not concerned with the allocation of issues between the statutory court and the Iowa district court.

**A copy of Judge Worley's letter, dated July 12, 1957, appears at Appendix 3-a—5-a.

motion, so as to permit decision upon the suggestion in normal course by this Court. USG, therefore, moves for recall and modification, as suggested by Judge Worley, of the judgment, entered February 25, 1957.

REASONS FOR RECALL AND MODIFICATION

A. Remand of the issues of patent misuse and purge to the statutory court, rather than to the Iowa district court, was made by this Court for two reasons. That disposition was deemed appropriate because

> (1) patent misuse had been the essence of the old government antitrust litigation, and
>
> (2) the statutory court had an intimate knowledge of the record in that prior proceeding, not shared by the Iowa district court. (352 U. S. at 476)

In February of this year, this Court had reason to believe that the statutory court possessed an intimate knowledge of the patent misuse issues raised in the government suit and that such knowledge would allow the statutory court more quickly to decide the remanded issues than could the Iowa district court. Indeed, the opinion suggests (352 U. S. at 476) that it was this reason that finally disposed the Court to direct remand to the statutory court rather than to the Iowa disrict court.

That reason for remand to the statutory court has been lost. Circumstances beyond the control of the parties or of this Court have destroyed the rationale for remand to the statutory court. The special competence that once existed in the statutory court, by reason of its familiarty with prior proceedings, no longer exists. Two of the three members of that court already have resigned. The sole remaining member, Judge Worley, says (App. 4-a) that he too may

be required to ask to be relieved from service on the statutory court, if it undertakes trial and disposition of the remanded issues.

Where the basis of remand to the statutory court has been destroyed and where it is clear that conservation of judicial resources and efficient administration of justice now make the Iowa district court a more appropriate forum than the statutory court, this Court should modify its judgment to permit full trial in the Iowa district court.

B. There is no impediment in the Judicial Code or in the Rules of this Court to the grant of this motion. Although it practices it most sparingly, the Court heretofore has recognized inherent power in itself to correct its mandates at any time where such action serves the administration of justice and does not involve the overturning of another court's decision, that had been permitted to become final. *Florida ex rel. Hawkins* v. *Board of Control*, 350 U. S. 413; *Boudoin* v. *Lykes Bros. S. S. Co.*, 350 U. S. 811; *Cahill* v. *New York, N. H. & H. R. Co.*, 351 U. S. 183.

Indeed, the instant motion would seem to place far less strain upon the inherent power of the Court to make *ad hoc* modifications of its orders than did decision last term in *United States* v. *Ohio Power Company*, 353 U. S. 98.

CONCLUSION

For the foregoing reasons the Court should recall its judgment in this case, entered February 25, 1957, and should modify that judgment

(1) to permit suspension of trial and disposition by the statutory court of such issues as were remanded for decision by that court; and

(2) to direct the statutory court to remove any restraints presently barring USG from proceeding to

trial and disposition in the Iowa district court on Counts III, IV and V of its suits there pending.

Respectfully submitted,

BRUCE BROMLEY,
CRANSTON SPRAY,
ROBERT C. KECK,
JOHN D. CALHOUN,
HUGH LYNCH, JR.,
Attorneys for Appellant.

October 31, 1957.

APPENDIX

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1956

UNITED STATES GYPSUM COMPANY, Appellant, *vs.* NATIONAL GYPSUM COMPANY *et al.*	No. 11

APPEAL FROM the United States District Court for the District of Columbia.

THIS CAUSE came on to be heard on the transcript of the record from the United States District Court for the District of Columbia and was argued by counsel.

ON CONSIDERATION WHEREOF, It is ordered and adjudged by this Court that the judgment of the said United States District Court in this cause be, and the same is hereby reversed with costs; and that this cause be, and the same is hereby, remanded to the United States District Court for the District of Columbia for further proceedings not inconsistent with the opinion of this Court.

It is further ordered that the said appellant, United States Gypsum Company, recover from the National Gypsum Company et al. Seven Thousand Twenty Dollars and

Eighty Cents ($7,020.80) for its costs herein expended and have execution therefor.

Per Mr. Justice Harlan
February 25, 1957

Clerk's costs	$1,276.44
Printing record	5,744.36
Total	$7,020.80

Dissenting opinion by Mr. Justice Black with whom Mr. Chief Justice Warren and Mr. Justice Douglas join.

Mr. Justice Clark took no part in the consideration or decision of this case.

JOHN T. FEY.

A true copy
Test:
Clerk of the Supreme Court of the United States
By J. Blanchard Deputy

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

WASHINGTON

Chambers of
Eugene Worley
Judge

July 12, 1957

Re: United States Gypsum Company v. National Gypsum Company, et al., 352 U. S. 457

My dear Mr. Chief Justice:

Last February the Supreme Court remanded the above case to a special three-judge court to take evidence on questions involving patent misuse and purge. Since that time, however, several matters have developed which, as a member of that court, I feel should be called to your attention.

First, ill health has compelled the resignation of two of the special court judges. Thus, one reason assigned for the remand to that court, namely, familiarity with the record, has largely disappeared. How long it will take new judges to familiarize themselves with the controversy will depend on a number of circumstances, but, this litigation has been going on for seventeen years and the record is voluminous.

Second, counsel for one party estimates that it alone will require a minimum of six weeks to present its evidence. Another party advises that it intends to make extensive use of discovery and other procedures which will necessarily involve additional time. My own estimate is that a minimum of two months will be required to dispose of these issues.

Third, it is proving extremely difficult to find judges, one of whom must be a circuit judge, who can neglect their regular duties for such an extended period. . .

Fourth, I am contemplating resigning because I hardly see how I can take that much time and neglect my regular work, especially since the continued illness of one member of this Court leaves us short-handed.

Fifth, and perhaps the most important, is whether the provisions of 15 U. S. C. 28 continue to be applicable. If I correctly interpret the language of that section, Congress did not intend that judges should be called from their regular duties unless a question of general public importance was involved. While there is no doubt such a question was originally present when the Attorney General instituted antitrust proceedings in 1940 against the above parties, it has now finally boiled down simply to a matter of recovery among private corporations. Since the antitrust element has been disposed of, the Government is no longer a real party in interest, and it does not appear that the remaining issues are of such interest to the public as to require a virtual reconstituting of the special court.

Sixth, the issues of patent misuse and purge will, of course, involve strictly trial procedures, such as pretrial conferences, discovery, interrogatories, the taking of testimony, etc., all of which are properly within the province of a trial judge. A single judge can handle those matters with far greater dispatch than could a three-judge court, where the procedure might well become awkward and cumbersome.

Finally, the Supreme Court has directed that should the special court find that Gypsum is not barred from recovery, the trial and disposition of all other issues should take place in the Iowa district court. In that event it would be necessary for the district judge to familiarize himself with the mass of evidence which the parties now propose to present to the special court. That could be avoided if the evidence were initially presented in the district court.

It is my considered opinion that the rights of the parties would be fully protected, the action greatly expedited, and an untold number of judicial man-hours saved if the entire matter were referred to the district court in Iowa.

I have hesitated bringing this matter to your attention, but I think it is of sufficient importance to justify consideration by your Court, and a possible modification of the remand.

Respectfully,

(signed) EUGENE WORLEY

The Chief Justice of the United States
United States Supreme Court
Washington, D. C.

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Supreme Court of the United States

OCTOBER TERM, 1956

No. 11

UNITED STATES GYPSUM COMPANY,
Appellant,

—against—

NATIONAL GYPSUM COMPANY, *et al.*,
Appellees.

REPLY OF UNITED STATES GYPSUM COMPANY IN SUPPORT OF ITS MOTION FOR RECALL AND MODIFICATION OF JUDGMENT

BRUCE BROMLEY,
CRANSTON SPRAY,
ROBERT C. KECK,
JOHN D. CALHOUN,
HUGH LYNCH, JR.,
Attorneys for Appellant.

November 26, 1957.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

UNITED STATES GYPSUM COMPANY, *Appellant,* —*against*— NATIONAL GYPSUM COMPANY, *et al.*, *Appellees.*	No. 11

REPLY OF UNITED STATES GYPSUM COMPANY IN SUPPORT OF ITS MOTION FOR RECALL AND MODIFICATION OF JUDGMENT

The Government (Gov. Mem. 5-6) and National Gypsum Company (Nat. Mem. 4-8) contend that the remanded patent misuse and purge issues should be tried in the court below, rather than in the Iowa district court, because the court below

> [1] ". . . is alone empowered to modify its judgment," (Gov. Mem. 6)

and in the Iowa district court

> [2] ". . . 'the rights of the parties would [not] be fully protected.'" (Nat. Mem. 8)

The Government and National apparently do not understand that if the judgment of this Court is modified, the entire antitrust action might then be transferred to Iowa.

Section 1404(a), Title 28, provides that

> "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought."

This antitrust action is a civil action. It "might have been brought" in the Iowa district court.* Only the judgment of this Court prevents transfer of the action to Iowa.** Judge Worley, the sole remaining member of the three-judge court, has indicated that transfer is appropriate.

If such transfer is made to Iowa, the Iowa district court would be the antitrust court.*** As the antitrust court, the

---

*The Government instituted this action in 1940 under Section 4 of the Sherman Act (15 U. S. C. § 4), alleging that the defendant companies manufactured or sold gypsum products in interstate commerce "within the states east of the Rocky Mountains." (1947 R. 3) In their answers, United States Gypsum, National and Certain-teed admitted that they manufactured or sold gypsum products in Iowa (1947 R. 217, 237, 265). Each, therefore, was clearly amenable to process in Iowa [see 15 U. S. C. § 22]. In consequence of the presence of United States Gypsum, National and Certain-teed within the jurisdiction of the Iowa district court, that court, under the authority of Section 5 of the Sherman Act (15 U. S. C. § 5), would have had jurisdiction over the cause and could have ordered process served upon nonresident defendants. *Standard Oil Company* v. *United States*, 221 U. S. 1.

**The judgment of this Court (App. 1-a) adopts by reference the opinion of this Court. That opinion, relying principally upon the acquired expertise of the court below [352 U. S. at 476], ordered trial in the court below, depriving that court as Judge Worley and United States Gypsum see it, of any discretion to transfer this action to the Iowa district court.

***United States Gypsum will not oppose the motion suggested by the Government (Gov. Mem. 5) to withdraw the certificate of general public importance previously filed in this cause. Indeed, if following a transfer to Iowa and trial of the patent misuse and purge issues raised by petitioners, any party, for good cause, seeks retransfer to the United States District Court for the District of Columbia, United States Gypsum would not oppose that motion.

Iowa district court would be possessed of every power now held by the court below. The parties, too, would have every right that they now enjoy. Process would run nationwide out of Iowa, even as it now may run out of the District of Columbia.

The sole consequence of modifying the judgment of this Court to permit transfer to the Iowa district court would be a saving of the resources of the federal judiciary and of the parties. Following transfer, the remanded antitrust issues could be consolidated for trial with the pending compensation suits. [See Fed. R. Civ. P. 42(a)] Contrary to the memoranda of the Government and National (Gov. Mem. 6; Nat. Mem. 7), large areas of fact that will be involved in trying the antitrust issues will be pertinent to determination of the compensation issues, *e.g.*, the damage to United States Gypsum caused by unauthorized use of its patents can be understood only after a comprehensive review of the facts relating not only to the 1948-51 period but also to the period antedating 1948, all of which necessarily will bear upon the antitrust issues.

It is clearly preferable that a single judge hear and decide all the issues between the parties.* That result can be had only if this action is transferred to Iowa. This action may be transferred to Iowa if this Court recalls and modifies its judgment.

*Although the antitrust action may be transferred under Section 1404(a), Title 28, to the Iowa district court, the compensation actions may not be transferred to the court below, because they involve claims that might *not* have been brought in that court.

CONCLUSION

We again respectfully submit that the Court should recall its judgment in this case, entered February 25, 1957, and should modify that judgment in accordance with the motion of appellant.

Respectfully submitted,

BRUCE BROMLEY,
CRANSTON SPRAY,
ROBERT C. KECK,
JOHN D. CALHOUN,
HUGH LYNCH, JR.,
Attorneys for Appellant.

November 26, 1957.

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No. 11.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

UNITED STATES GYPSUM COMPANY,

Appellant,

v.

NATIONAL GYPSUM COMPANY, *et al.*,

Appellees.

LETTER REQUESTED BY COURT, AND OPPOSITION TO MOTION OF UNITED STATES GYPSUM COMPANY FOR RECALL AND MODIFICATION OF JUDGMENT.

SAMUEL L. ROSENMAN,
EUGENE E. FINCK,
SEYMOUR D. LEWIS,
MALCOLM A. HOFFMANN,
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GILBERT S. EDELSON,
Attorneys for Appellees,
National Gypsum Company.

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November 19, 1957

THE CHIEF JUSTICE AND THE ASSOCIATE
JUSTICES OF THE SUPREME COURT OF
THE UNITED STATES,
Supreme Court Building,
Washington 13, D. C.

Re: *U. S. Gypsum Company, Appellant* v. *National Gypsum Company, et al., Appellees, No. 11, October Term, 1956.*

Dear Sirs:

In response to the request of the Court, there follow the comments of appellee, National Gypsum Company, hereafter called "National", with respect to a letter addressed to the Chief Justice by Judge Eugene Worley on July 12, 1957. We respectfully request that the Court also consider our letter as our opposition to the Motion for Recall and Modification of Judgment, dated October 31, 1957, and submitted by appellant, U. S. Gypsum Company, hereafter called "Gypsum".

Judge Worley has asked this Court to consider possible modification of its remand in order that further proceedings in this matter concerning purge of patent misuse, which have been remanded to the three-judge antitrust court sitting in the District of Columbia, may be removed from that Court and referred to the District Court for the Northern District of Iowa.

I. Events Leading to Judge Worley's Letter.

Certain-teed Products Corporation (hereafter "Certain-teed") in the Northern District of Iowa to recover for use of its patents during the period February 1, 1948 to May 15, 1951. Gypsum asserted three grounds embodied in five counts of its complaints:

(a) royalty provisions of certain license agreements (Counts I and II) which had been adjudicated illegal by the final decree of the antitrust court, entered May 15, 1951, against Gypsum, National, Certain-teed and others in a government civil antitrust proceeding instituted in 1940;

(b) *quantum meruit* for the reasonable value of the use of the patents (Counts III and IV); and

(c) patent infringement (Count V).

On December 9, 1953, the antitrust court acting on the petitions of National, Certain-teed and others modified its decree of May 15, 1951 in order to require Gypsum to dismiss with prejudice the suits described above and two others brought in different federal courts.

On February 25, 1957 this Court issued its decision sustaining the antitrust court's exercise of jurisdiction and holding that its action in enjoining Counts I and II of Gypsum's Iowa suits (counts on the illegal contracts) was proper and that "upon remand the District Court may, by appropriate modification of the decree of May 15, 1951, or otherwise, require Gypsum to discontinue and dismiss such counts with prejudice" (352 U. S. 457, 476).

This Court also decided that the enjoining of Counts III, IV and V for *quantum meruit* and infringement "was not justified upon this record and as to them the case should be remanded to the District Court for the taking of evidence upon issues of misuse and purge as they may relate to the period since February 1, 1948" (*id.*).

This Court went on expressly to rule: "We think it appropriate that these issues should be tried and disposed of by the antitrust court, rather than the Iowa court" (*id.*).

Gypsum in its motion has presented a distorted summary of this Court's ruling (p. 4). For this reason we set forth in a note this Court's full explanation for the remand to the antitrust court.*

---

* ". . . First, we think that Article X of the 1951 decree, reserving to the antitrust court jurisdiction, upon application of 'any of the parties' to the decree, to make such 'directions' and 'modifications' as may be appropriate to the 'carrying out' and 'enforcement' of the decree, provided a fully adequate basis for the jurisdiction exercised below. * * * Gypsum argues that insofar as the relief granted below was rested upon patent misuse . . . the lower court's decision involved a determination of a collateral private controversy . . . rather than a 'carrying out' or 'enforcement' of the terms of that decree. *But we think that whether Gypsum was barred from recovery in these suits by reason of the abuse of its patent rights was a problem sufficiently related to the rationale of the 1951 decree to bring it within the reserved jurisdiction clause. This is especially so because patent misuse was the essence of the old antitrust litigation, and its continuance or renewal were thus issues peculiarly within the province of the antitrust court*, whose determination would avoid multiple litigation and possibly conflicting decisions on that issue among the courts in which Gypsum had brought suit." (352 U. S. 457, 463-464) (Emphasis supplied.)

* * * * * *

". . . The enjoining of Counts I and II of Gypsum's Iowa suits was proper, and upon remand the District Court may, by appropriate modification of the decree of May 15, 1951, or otherwise, require Gypsum to discontinue and dismiss such Counts with prejudice. The enjoining of Counts III, IV and V of those suits was not justified upon this record, and as to them the case should be remanded to the District Court for the taking of evidence upon the issues of misuse and purge as they may relate to the period since February 1, 1948. We think it appropriate that these issues should be tried and disposed of by the antitrust court rather than the Iowa court, both because of reasons already given, *supra*, 463-464, and because of the antitrust court's familiarity with what has occurred in these protracted litigations. However, should the antitrust court conclude that Gypsum is not barred from recovery on Counts III, IV or V by reason of unpurged patent misuse, we think that the trial and disposition of all other issues, including any defense of patent invalidity, should then take place in the District Courts in which the two suits are pending. There is no reason why the three-judge court should be burdened with such issues" (352 U. S. 457, 476).

On April 8, 1957 this Court denied petitions for rehearing filed by appellees National and Certain-teed.

After the term of this Court had been closed Judge Worley made his request for a transfer of the proceedings.

II. No Valid Reasons Are Advanced for Transferring the Proceedings to Iowa.

A. Judge Worley's letter and Gypsum's motion set forth only one new circumstance relating to any of the reasons of this Court for the remand to the antitrust court—namely that two of the judges of that court have resigned and that Judge Worley is also contemplating his resignation. This circumstance focuses on the familiarity of the antitrust court with the prior proceedings, but not on the other reasons for the remand.

The language of this Court's decision, quoted in the note above, shows three reasons for the remand of issues of patent misuse and purge to the antitrust court. First, was the relationship of these issues to the 1951 decree, itself based on patent misuse, the continuation of which is an issue "peculiarly within the province of the antitrust court". Not only was this the primary reason given for the remand to the antitrust court but, standing alone, it was reason sufficient to justify this Court's decision, and it is a reason in no way affected by subsequent changes in the membership of the statutory court. The second reason given was the avoidance of multiple litigation and possible conflicting decisions. Although two cases in different jurisdictions have been settled, they were settled before the appeal was heard on the merits,* and the threat of other infringement

* The suits involving appellees Newark Plaster Company and Ebsary Gypsum Company, Inc. were settled while the appeal was pending because of the acquisition of these companies by other companies. 352 U. S. 459, note 2.

suits remains (R. 655-657, 786). The third reason, unemphasized by this Court (see 352 U. S. 476 and note 35), was the antitrust court's familiarity with prior proceedings.*

B. Judge Worley states that "perhaps the most important" consideration for modifying the mandate is that no "question of general public importance" is involved, since the case "has now finally boiled down simply to a matter of recovery among private corporations" and "the antitrust element has been disposed of"; therefore, he urges, the provisions of 15 U. S. C. 28 may no longer be applicable and there is no need for the antitrust court to try the case. The same contention was made by Gypsum in its reply brief on appeal (pp. 14-16) and rejected by this Court.**

The issues as framed by the petitions of National and Certain-teed for modification by the antitrust court of its decree of May 15, 1951, and the answer of Gypsum, go beyond "a matter of recovery among private corporations."*** The United States has pointed out that, "Issues

---

* On appeal Gypsum argued that since all three judges were different from the three sitting in 1951 when the Decree was entered, the change created a lack of familiarity with the proceedings which should cause a removal to Iowa. This Court observed that the antitrust court had acquired an intimate knowledge of the record, 352 U. S. 476, note 35, but in no way suggested that it would have transferred the cause were this not so. Judge Worley, of course, retains an "intimate knowledge of the record".

** Gypsum in its motion for recall and modification of judgment no longer presses this point but founds its position solely on the antitrust court's lack of familiarity with the patent misuse issues.

*** National charges in its petition (and Gypsum denies) that:

> "Gypsum did not during the period from February 1, 1948 to May 15, 1951, abandon any of the illegal patent practices charged in the Government's complaint and proved at the trial.
>
> "Gypsum's patent licensing, sales, pricing and distribution policies were conducted at all times between February

such as arose in this case may also involve the question of whether substantive provisions of the final antitrust judgment should be modified in order to effectuate the basic purposes of the final judgment. The court which entered judgment is alone empowered to modify its judgment" (Memorandum in Opposition, p. 6).

The relief requested by petitioners in their petitions for modification in the antitrust court is an injunction barring Gypsum's enforcement of its patents not merely against petitioners, but against unauthorized use by the whole world during the 1948-1951 period (R. 613). Moreover, proof of continuation or non-purge until 1951 of price-fixing or any of the broad patent misuses established *prima facie* by the government for the period until 1941,* may warrant further and different relief.

1, 1948 and May 15, 1951, in accordance with the terms of the unlawful licenses.

• • • • • •

"Gypsum continued, until at least May 15, 1951, to collect royalties on unpatented as well as patented gypsum products.

"Gypsum continued, until at least May 15, 1951, to sell and distribute its gypsum products under the same terms and conditions as those prescribed in its unlawful licenses.

"Gypsum continued, until at least May 15, 1951, to refrain from selling gypsum products to jobbers.

"Gypsum failed and refused, until at least May 15, 1951, to grant licenses under its misused patents to all applicants on lawful and unrestricted terms and conditions" (R. 611-612, 788).

* The misuses proved *prima facie* by the government are described by this Court as follows (352 U. S., 470-471):

". . . In the original suit the only undisputed issue of fact was that Gypsum had given its competitors uniform patent licenses containing a price fixing clause. The Government also charged Gypsum with a variety of other abuses, including price fixing on unpatented articles, elimination of jobbers, and standardization of trade practices. All of these charges were put in issue by Gypsum. On the appeal from the original dismissal of the proceedings, this Court held that the uniform price fixing licenses constituted a *per se* antitrust violation, and also that the Government's evidence as to the other matters constituted a *prima facie* case of additional violation. . . ."

C. As another ground for referring the case to Iowa, Judge Worley states that a single judge in Iowa can handle pre-trial matters more expeditiously than can the antitrust court; that in the event the antitrust court finds Gypsum is not barred from recovery, the trial and disposition of all other issues will take place in the Iowa District Court, and the Iowa Court will be required to familiarize itself with the evidence which the parties now propose to present to the antitrust court; consequently, Judge Worley concludes that "untold number of judicial man-hours would be saved" if the entire matter were referred to the District Court in Iowa.

(1) We appreciate the difficulties which confront Judge Worley and the inconvenience to his court which the remand may create in the event that it is necessary for three judges to hear and determine the issues. In an effort to lessen the burden of that court we readily assent to the suggestion of the United States that a single judge be empowered to hear and determine the issues and we are prepared to agree, in accordance with the government's suggestion, to such an appointment. We are authorized by counsel for appellee, Certain-teed to state that it, too, consents to this procedure.

(2) In the event that petitioners fail in the antitrust court and a trial on Counts III, IV and V of Gypsum's complaint occurs in Iowa, there will be no need for the Iowa Court to familiarize itself with the antitrust court evidence. Questions of misuse and purge will have been disposed of by the antitrust court and the Iowa Court will have remaining before it only technical patent matters such as validity and infringement. (See Government Memorandum, p. 6.)

(3) If active misuse of Gypsum's patents to accomplish industrywide restraints for the period 1941 to 1951 were shown in Iowa, this demonstration might indicate the need

for government action. The government, in order to obtain additional relief under the antitrust decree, would have to proceed *de novo* in the District of Columbia and itself prove again the misuse demonstrated in the Iowa Court. It follows, if the allegations of the petitioners concerning continued misuse are true, that judicial convenience and the public interest may best be served by not disturbing this Court's remand of the patent misuse issues to the antitrust court.

D. Finally, Judge Worley states that in the event of remand of the entire case to Iowa, "the rights of the parties would be fully protected". This is mistaken. In the antitrust court petitioners start with the Court's adjudication of price fixing and the *prima facie* proof of other restraints to prove continued misuse or non-purge for the 1948-1951 period. In Iowa, however, petitioners may well be required to prove these restraints *de novo*.*

This would put an almost insuperable burden on petitioners. The antitrust trial lasted for five months. The government's record was 6584 pages, consisting of the testimony of 27 witnesses and the introduction of 774 exhibits. It might be necessary for petitioners, if the matter is removed to Iowa, to rebuild this entire record. Remand to Iowa at this late date might make it impossible for National to establish its misuse defense by rebuilding such a record.** If it attempted to do so, however, it would impose upon the Iowa Court the tremendous burden of

* It would seem that the language of §5 of the Clayton Act (15 U. S. C. §16) would not aid petitioners in the Iowa proceedings.

** An added difficulty is presented by the fact that in the Iowa proceeding the process of the court is limited to the district or one hundred miles from the place of trial (Rule 45(e), Federal Rules of Civil Procedure). The process of the antitrust court runs throughout the United States (15 U. S. C. §23) and may be necessary to establish continued misuse or non-purge.

rehearing the proof presented to the antitrust court by the United States.

III. Litigation Must Have an End.

In essence Judge Worley is requesting, and Gypsum by motion joins in his request, that this Court reverse itself in its holding that the lower court had properly exercised its reserved jurisdiction, and that this Court now after issuance of mandate and close of term dismiss National's petition in the District of Columbia Court. Litigation, like everything else, must have an end, and no concept is more strongly established than the finality which attaches to a mandate of this Court after rehearing has been denied unless positive and compelling interests of justice require reopening.

The cases relied upon by Gypsum in its motion presented urgent reasons for the correction of this Court's mandate* and no authority has been cited which suggests that this Court should overthrow a mandate already issued merely to serve the convenience of judges of the court below, or to transfer a proceeding from one court to another of co-existing jurisdiction.

We respectfully submit that this Court's mandate ought not to be disturbed since Gypsum has failed to sustain its burden of showing circumstances which plainly outweigh the "principle that litigation must at some definite

---

* In *Florida ex rel. Hawkins* v. *Board of Control*, 350 U. S. 413 (1956), this court recalled and modified its mandate to compel a state law school promptly to admit a Negro student. Failure to so modify its mandate would have overturned precedents established by this Court in *Sweatt* v. *Painter*, 339 U. S. 629 (1950) and *Sipuel* v. *Board of Regents*; 332 U. S. 631 (1948). In *Boudoin* v. *Lykes Bros. S. S. Co.*, 350 U. S. 811 (1955), and *Cahill* v. *New York, N. H. & H. R. Co.*, 351 U. S. 183 (1956) this Court corrected its mandates so as to allow decisions by the Court of Appeals on issues affecting vital substantive rights not previously passed upon.

point be brought to an end". *FTC.* v. *Minneapolis-Honeywell Regulator Co.*, 344 U. S. 206, 213 (1952); See Harlan, J., dissenting in *U. S.* v. *Ohio Power Co.*, 353 U. S. 98, 109 (1957).

Respectfully submitted,

Samuel I. Rosenman,
Elmer E. Finck,
Seymour D. Lewis,
Malcolm A. Hoffmann,
Seymour Krieger,
Gilbert S. Edelson.

No. 11

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956.

UNITED STATES GYPSUM COMPANY,

Appellant,

v.

NATIONAL GYPSUM COMPANY, *et al.*,

Appellees.

SUPPLEMENTARY LETTER TO COURT.

SAMUEL I. ROSENMAN,
EMMET E. FINCH,
SEYMOUR D. LEWIS,
MALCOLM A. HOFFMANN,
SEYMOUR KRIEGER,
GILBERT S. FOELSON,

Attorneys for Appellee,
National Gypsum Company.

December 4, 1957

THE CHIEF JUSTICE AND THE ASSOCIATE
JUSTICES OF THE SUPREME COURT OF
THE UNITED STATES,
Supreme Court Building,
Washington 13, D. C.

Re: *U. S. Gypsum Company, Appellant* v. *National Gypsum Company, et al., Appellees No. 11, October Term, 1956.*

Dear Sirs:

We have received copies of a document entitled "Reply of United States Gypsum Company (hereafter 'Gypsum') in Support of Its Motion for Recall and Modification of Judgment", dated November 26, 1957.

Gypsum's so-called "Reply" raises a new issue in these proceedings. It requests this Court to take such steps as are necessary to permit a transfer to Iowa under Section 1404(a) of Title 28* of the pending antitrust case which for 17 years has been before the District of Columbia court.

Judge Worley's letter, to which this Court invited comments, did not ask that this Court modify its Mandate to permit a change of venue of the entire antitrust case. Judge Worley's letter suggested that this Court consider modifying its Mandate so that "the issues of misuse and purge" (352 U. S. at 476), which this Court remanded to

* "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought."

the antitrust court, might be remanded instead to the Iowa court.*

The Government, National, Certain-teed and also Gypsum so understood Judge Worley's letter, and their comments were limited to that question. Gypsum's motion for recall in response to Judge Worley's letter does not seek transfer of the entire antitrust proceedings to Iowa. On the contrary, Gypsum moved this Court

> "to direct the statutory court to remove any restraints presently barring U S G from proceeding to trial and disposition in the Iowa district court on Counts III, IV and V of its suits there pending." (Motion pp. 5-6).

By its "Reply" Gypsum for the first time in this proceeding asks the transfer to Iowa of the entire antitrust case. Gypsum never requested the District of Columbia court to transfer the antitrust case under Section 1404(a) of Title 28, nor did it so urge on the instant appeal to this Court. Rather Gypsum claimed both before the court below and on appeal that the antitrust court had no jurisdiction over issues of misuse and purge and that the Iowa court should rule on these issues as part of the patent litigation.

Gypsum manufactures its new claim under the guise of a "Reply" to the opposition of the United States and of the other parties to removal of the issues of misuse and purge to Iowa. Gypsum's "Reply" constitutes an abuse

* The issues of misuse and purge were raised in the Iowa court by National and Certain-teed as a defense to Gypsum's suits for patent compensation, and in the District Court of the District of Columbia on the petitions of National, Certain-teed and others for construction and modification of the antitrust decree. This Court decided (352 U. S. 457, 476) that these issues should be tried in the antitrust court.

of the Court's invitation to comment on Judge Worley's letter, and we submit that the "Reply" should be ignored.

In any event, Gypsum's "Reply" fails to show that the "interests of justice would make unfair" the continuing of the action in the District of Columbia in accordance with this Court's Mandate. *United States* v. *Ohio Power Co.*, 353 U. S. 98, 99 (1956). Gypsum could have, at the time of the filing of the petitions herein, moved for transfer of venue of the entire antitrust case to Iowa. It did not do so. The giving to Gypsum of a second chance to substitute one district court for another does not constitute reason enough to disturb the Mandate of this Court even under the most flexible view of the concept of finality of judgment.

If the Court, however, thinks the contentions in Gypsum's "Reply" warrant consideration, we request that the matter be restored to the Calendar for formal briefing and argument.

Respectfully submitted,

SAMUEL I. ROSENMAN,
FLEMER E. FINCK,
SEYMOUR D. LEWIS,
MALCOLM A. HOFFMANN,
SEYMOUR KRIEGER,
GILBERT S. EDELSON.

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No. 11

In the Supreme Court of the United States

OCTOBER TERM, 1956

UNITED STATES GYPSUM COMPANY, APPELLANT

v.

NATIONAL GYPSUM COMPANY, ET AL.

MEMORANDUM IN OPPOSITION TO MOTION FOR RECALL AND MODIFICATION OF JUDGMENT

J. LEE RANKIN,
Solicitor General,
VICTOR R. HANSEN,
Assistant Attorney General,
CHARLES H. WESTON,
EDWARD KEUFF,
Attorneys,
Department of Justice, Washington 25, D. C.

In the Supreme Court of the United States

OCTOBER TERM, 1956

No. 11

UNITED STATES GYPSUM COMPANY, APPELLANT

v.

NATIONAL GYPSUM COMPANY, ET AL.

MEMORANDUM IN OPPOSITION TO MOTION FOR RECALL AND MODIFICATION OF JUDGMENT

Appellant United States Gypsum Company (USG) has filed a motion in which it prays that this Court recall the judgment which it entered in the above case on February 25, 1957, and that it modify that judgment

> (1) to permit the three-judge antitrust court to suspend trial and disposition of the issues remanded for decision by that court; and
>
> (2) to direct the antitrust court to remove any restraints presently barring United States Gypsum Company from proceeding to trial and disposition in the Iowa district court on Counts III, IV and V of its suits there pending.

USG's motion for recall and modification of this Court's judgment was prompted by the letter of July

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12, 1957, addressed to the Chief Justice by Judge Worley, the only present member of the three-judge antitrust court. On October 16, 1957, the Clerk of this Court sent a copy of this letter to counsel for all parties and stated that the Court wished them to submit their views and comments on Judge Worley's letter. In view of the motion subsequently filed by USG, the Government is submitting its views and comments in this memorandum in opposition to USG's motion.

I

RECALL AND MODIFICATION OF THIS COURT'S JUDGMENT IS NOT NECESSARY TO ACCOMPLISH THE OBJECTIVE THAT THE ISSUES REMANDED FOR DECISION BY THE ANTITRUST COURT BE TRIED AND DECIDED BY A SINGLE DISTRICT JUDGE

The Government is in agreement with the view expressed in paragraph "Sixth" of Judge Worley's letter that the issues of patent misuse and purge which, under the mandate of this Court, are to be determined by the antitrust court, will involve strictly trial procedures and can be handled by a single judge with far greater dispatch than by a three-judge court. The Government believes that these issues can be tried in the antitrust court by a single judge provided all parties concerned, *i. e.*, USG, National Gypsum Company, Certain-Teed Products Corporation, and the United States, consent to their trial by a single district judge. The Government would so consent.

When the judgment of a district court has become final, the primary purpose of having the cause determined by a court of three judges (one of whom must be a circuit judge), as authorized by 15 U. S. C. 28,

is ordinarily achieved. The considerations which led the Attorney General to file a certificate that the case is of "general public importance" are not necessarily applicable to post-judgment matters. Accordingly, if the parties consent to determination of post-judgment matters by a single judge, this is consistent with the objectives of 15 U. S. C. 28. This is the method by which all the issues in the case would have been tried had the Attorney General not filed his certificate under 15 U. S. C. 28, and reversion to this method of trial after the original issues have finally been determined does not adversely affect any party in this action.

We believe that the foregoing views are inferentially supported by the decision in *Ex parte United States*, 226 U. S. 420. The case came before the Court under the following circumstances. The Attorney General had filed a certificate under what is now 15 U. S. C. 28; the district court dismissed the action; this Court reversed and directed entry of judgment against the defendants; upon return of the case to the district court, a single judge was assigned to sit in the cause; a controversy arose as to the nature of the decree to be entered; the Government demanded that the decree be ruled upon by a three-judge court; and the issue thus raised was brought to this Court on application for a writ of prohibition. The Court granted the requested writ. It said that its mandate left to the district court "a serious and important duty to be discharged in any event and especially in case of controversy on the subject", and that these considerations brought the matter "within the scope of the Expedition Act" and required, on the Govern-

ment's demand, that "the case be considered and a decree entered by a court composed as provided in that act." 226 U. S. at 425.

The so-called *Paramount* case, upon which the Court ruled in 334 U. S. 131 and 339 U. S. 974, was heard and determined by a three-judge district court. Six separate consent decrees constitute the final judgments entered in this proceeding. Four of these judgments—those against Paramount, Warner, Twentieth-Century Fox, and Loew's—provide that matters under the judgment may be determined by a single district judge. Each of these judgments contains a provision substantially similar to the following paragraph in the Paramount judgment (Section IX, B):

> For the purpose of any application under this judgment, the plaintiff and the defendant, Paramount Pictures, Inc., hereby waive the necessity of convening a court of three judges pursuant to the expediting certificate filed herein on June 13, 1945; and agree that any application may be determined by any judge sitting in the United States District Court for the Southern District of New York.

Numerous matters arising under these judgments have, in fact, been determined by a single district judge. See, *e. g.*, *Wometco Television & Theatre Co.* v. *United States*, No. 438, this Term, motion to affirm granted November 12, 1957.

If any affected party should refuse to consent that the issues remanded for decision by the antitrust court be tried by a single district judge, the Attorney Gen-

eral is prepared to apply to a reconvened three-judge district court for leave to withdraw the certificate of general public importance previously filed in this cause. The application would be for grant of such leave for good cause shown. Favorable action on the application would not be a precedent for withdrawal of a like certificate in advance of judgment having become final, or where it could reasonably be anticipated that the final judgment would give rise to some question of large public consequence. Cf. *Ex parte United States, supra.*

II

THIS COURT SHOULD NOT MODIFY ITS HOLDING THAT THE PATENT MISUSE AND PURGE QUESTIONS NOW IN ISSUE AS BETWEEN CERTAIN OF THE CO-DEFENDANTS IN THE GOVERNMENT'S ANTITRUST ACTION SHOULD BE DETERMINED BY THE ANTITRUST COURT

The Government is opposed to modification of this Court's holding that the antitrust court should determine the patent misuse and purge questions still in issue. Issues of this kind may involve, as they did in the instant case, the question of whether an action instituted by one of the defendants against which judgment was entered in the Government's antitrust suit violates the terms of that judgment. This is a question which should be determined, if jurisdictionally possible, by the court which entered the antitrust judgment, both because this is the most appropriate tribunal for determining this question and because the United States has the rights of a

party if the antitrust court acts in the matter under its inherent power to enforce or modify its own judgment. Issues such as arose in this case may also involve the question of whether substantive provisions of the final antitrust judgment should be modified in order to effectuate the basic purposes of the final judgment. The court which entered judgment is alone empowered to modify its judgment. All of these considerations are reflected in this Court's decision in the instant case, 352 U. S. at 463–465.

While there may be no reason for further direct Government participation at the present stage of the instant proceeding, a direction that the antitrust court no longer exercise the jurisdiction held to be proper and appropriate by the ruling in 352 U. S. 457 would be a precedent that might becloud the question of an antitrust court's jurisdiction in other proceedings raising issues intimately related to the scope and rationale of the final antitrust judgment.

We disagree with the view expressed by Judge Worley that, if the antitrust court finds that USG is not barred from recovery in the actions which it brought in the Iowa district court, the judge of that court will have to familiarize himself with the mass of evidence which the parties propose to present to the antitrust court. We believe that the issues, such as patent validity and patent infringement, which would be tried by the Iowa district court are distinct from the facts and issues relating to patent misuse and purge.

CONCLUSION

We respectfully submit that the motion for recall and modification of judgment should be denied, but without prejudice to the district court's consideration of an appropriate motion by the United States for leave to withdraw the certificate filed under 15 U. S. C. 28.

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CHARLES H. WESTON,
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Attorneys.

NOVEMBER 1957.

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IN THE

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OCTOBER TERM, 1956.

No. 11

UNITED STATES GYPSUM COMPANY,

Appellant,

NATIONAL GYPSUM COMPANY, *et al.*,

Appellees.

MOTION FOR THE RE-TAXING OF COSTS.

SAMUEL I. ROSENMAN,
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956.

No. 11

UNITED STATES GYPSUM COMPANY,

Appellant,

vs.

NATIONAL GYPSUM COMPANY, *et al.*,

Appellees.

MOTION FOR THE RE-TAXING OF COSTS.

Appellee, National Gypsum Company (National), respectfully moves this Court to re-tax costs in the above action and to assess one-half of the costs against appellant, United States Gypsum Company (Gypsum). Costs should be re-taxed because, although this Court affirmed in part and reversed in part the judgment of the court below, costs of $7,020.80 have been taxed solely against appellees.

There were six issues before this Court on appeal. The first issue was whether the court below had jurisdiction to modify its 1951 Decree. The remaining five issues were whether the court below properly modified its decree to enjoin Gypsum from maintaining each of the five counts of its action in the Iowa Court, i.e., two counts based on the royalty provisions of the illegal contracts; two counts in *quantum meruit* and one count in infringement. The Court found that the enjoining of the latter three counts (*quantum*

meruit and infringement) was not justified upon the record and, as to these counts, remanded the cause to the court below for the taking of evidence. The Court affirmed the lower court's holding as to the other three issues: the holding that the court below had jurisdiction to modify its 1951 Decree, and the determination that Gypsum's first two counts (on the illegal contract) were barred by that decree.

This case, therefore, was a partial victory for Gypsum, and a partial victory for appellees; the judgment of the lower court was reversed only in part. Three important elements of that judgment still stand.

The importance of the affirmed elements of the lower court's holding is demonstrated by the great length of the arguments by all parties on these points in their briefs both in this Court and in the court below.* The Government's position before this Court and in the court below was confined exclusively to these points. Furthermore, the question of jurisdiction was separately designated by Gypsum as one of the questions on appeal (Jurisdictional Statement, p. 5).

In view of the fact that a substantial part of the judgment of the court below was affirmed, and in view of the demonstrated importance of the issues on which the judgment of the court below was affirmed, it is respectfully submitted that appellant Gypsum should be required to pay one-half the costs of the appeal.

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* Fully one-half of the Argument section of Gypsum's brief in the court below is devoted to a discussion of these issues (Gypsum Brief Below pp. 38-68, 86-99, 122-131). National and Certain-teed likewise argued these issues at length in their briefs below. (National Brief Below pp. 30-32, 68-81; National Reply Brief Below pp. 27-40; Certain-teed Brief Below, pp. 18-31; Certain-teed Reply Brief Below pp. 21-26). These points were again briefed at great length before this Court (Gypsum Brief pp. 20-21, 26-35, 62-74; Gypsum Reply Brief, 13-16; National Brief 23-24, 28-48; Certain-teed Brief, 24-25, 32-43).

Conclusion.

For the reasons hereinbefore stated, the Court should amend that part of its mandate taxing costs of $7,020.80 against appellees and should re-tax costs as follows:

Appellant	
United States Gypsum Company	$3,510.40
Appellees	
National Gypsum Company Certain-teed Products Corporation	3,510.40
	$7,020.80

Respectfully submitted,

SAMUEL I. ROSENMAN,
ELMER E. FINCK,
Attorneys for National Gypsum Company.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956.

No. 11

UNITED STATES GYPSUM COMPANY,
Appellant,

vs.

NATIONAL GYPSUM COMPANY, ET AL.,
Appellees.

BRIEF IN OPPOSITION TO MOTION FOR THE RE-TAXING OF COSTS

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IN THE

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No. 11.

UNITED STATES GYPSUM COMPANY,

Appellant,

vs.

NATIONAL GYPSUM COMPANY, ET. AL.,

Appellees.

BRIEF IN OPPOSITION TO MOTION FOR THE RE-TAXING OF COSTS.

Appellant, United States Gypsum Company (Gypsum), opposes the motion of appellee, National Gypsum Company (National), to re-tax the costs of appeal in this action.

A. The Costs Were Properly Taxed.

For at least a century, it has been the practice of this Court, when reversing a judgment in some major part, to charge costs only to the appellee or respondent. See *Baldwin v. Ely*, 9 How. 580, 602 (1850). Even where a judgment of the Court, reversing in part and affirming in part, lacks express provision for costs (unlike the instant judgment*), the Court has sanctioned a usage of the Clerk,

* The judgment of the Court in this action directed:

"* * * that the judgment of the said United States District Court in this cause be, and the same is hereby, reversed with

placing the costs upon the appellee or respondent. In point is *St. Louis & S. F. R. Co.* v. *Spiller*, 275 U. S. 156 (1927), where the Court unanimously denied a motion to re-tax costs, based, *inter alia*, on the ground that equity required, on a reversal in part and affirmance in part, a division of costs. Justice Brandeis, writing for the Court, observed:

> "* * * At no time has the rule expressly prescribed whether costs shall be allowed when the judgment or decree below is reversed only in part. But it has long been the practice of the Clerk to insert in the mandate, in such cases, the provision for payment of costs by the defendant in error, appellee or respondent, in the absence of specific direction by the Court. The acquiescence of the Court in this practice has operated to give effect to it as a practical construction of the rule." (275 U. S. at 160.)

The rule of the Court applied in the *Spiller* case** is in substance the same as present Rule 57(2) of the Court, the rule under which the costs of this appeal were assessed. The practice approved in the *Spiller* case, of placing costs, on a reversal in part, upon the appellee, continues to be honored by the Court. *See Caimar S. S. Corporation* v. *Taylor*, 303 U. S. 525 (1938), and on motion to retax costs, 59 Sup. Ct. 56 [Not officially reported]. Cf. *Electrical Fittings Corp.* v. *Thomas & Betts Co.*, 307 U. S. 241 (1939).

---

costs; and that this cause be, and the same is hereby, remanded to the United States District Court for the District of Columbia for further proceedings not inconsistent with the opinion of this Court.

"It is further ordered that the said appellant, United States Gypsum Company, recover from the National Gypsum Company et al. Seven Thousand Twenty Dollars and Eighty Cents ($7,020.80) for its costs herein expended and have execution therefor.

Per Mr. Justice Harlan
February 25, 1957"

** Rule 29(3) of the Revised Rules, adopted June 8, 1925 (266 U.S. 675).

and on motion to retax costs, 59 Sup. Ct. 1040 [Not officially reported].

B. The Costs Should Be Borne by Appellees.

The thrust of the Gypsum appeal to this Court can be simply put. It was a claim that the 1951 decision and final decree of the court below did not, *per se*, bar prosecution of the four Gypsum compensation and damage suits. Appeal was necessary because the district court had held, upon a record closed in 1941, that Gypsum could be barred from claiming for use of its patents through the years 1948 to 1951. As this Court pointed out in its opinion (352 U. S. at 466), the decision below held Gypsum barred, first, by reason of a so-called "fresh" patent misuse, a misuse unrelated to the original antitrust litigation; secondly, because the "old" misuse adjudicated in the Government antitrust proceeding remained unpurged; and finally, because the "old" misuse itself was deemed sufficient to bar suit for patent infringement, irrespective of purge. Each of those grounds this Court rejected.

Now, using a novel pica-gauge theory of jurisprudence [Motion, p. 2 fn.], National urges that appellees fought Gypsum to a draw on the appeal and that costs should be taxed accordingly.

Rule 57 of this Court serves a practical purpose. By setting up workable criteria for ascribing costs, it permits allocation of that function to the office of the Clerk, sparing this Court the need to practice, at the end of each decision, some vague calculus to fix provision for costs. Recognition of this purpose is immanent in the decision in *Spiller, supra*. It seems particularly important, where the party charged with the costs, as here, can bear them

without distress, that tampering with the mechanics of Rule 57 be avoided. Unless this Court would invite applications to retax, it should deny this motion.

Respectfully submitted,

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May 14, 1957.